



Commonwealth of Massachusetts State Ethics Commission

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SUFFOLK, ss.

COMMISSION ADJUDICATORY
DOCKET NO. 560

IN THE MATTER
OF
JOHN E. MURPHY

DISPOSITION AGREEMENT

This Disposition Agreement ("Agreement") is entered into between the State Ethics Commission ("Commission") and John E. Murphy ("Murphy") pursuant to Section 5 of the Commission's *Enforcement Procedures*. This Agreement constitutes a consented to final order enforceable in the Superior Court, pursuant to G.L. c. 268B, §4(j).

On December 10, 1996, the Commission voted to find reasonable cause to believe that Murphy violated G.L. c. 268B, §6.

The Commission and Murphy now agree to the following findings of fact and conclusions of law:

1. During the period relevant here, Murphy was a registered legislative agent in Massachusetts for various clients. As a legislative agent, Murphy would track, monitor and seek to oppose, promote or otherwise influence legislation that was of interest to a client.

2. Charles F. Flaherty, Jr. ("Flaherty") has served in the House of Representatives ("House") of the Massachusetts State Legislature ("Legislature") from January 1965 to the present. During that time, Flaherty served as the chairman of the Committee on Counties (1971-1982); chairman of the Committee on Taxation (1983); and Majority Leader (1985-1990). In 1991, Flaherty was elected Speaker of the House and served in that capacity until his resignation as Speaker on April 9, 1996.

3. As a state representative, Majority Leader and Speaker, Flaherty participated, by speech and debate, by voting and by other means, in the process by which laws are enacted in the Commonwealth. As Majority Leader, Flaherty had and exercised considerable influence and control over the House, both as to legislative and administrative matters.

4. In late July 1990, Murphy signed a lease to rent a four bedroom vacation house with a swimming pool in Cotuit, Massachusetts ("Cotuit house") for the period of August 1, 1990, to September 4, 1990. Murphy and Richard Goldberg ("Goldberg")^{1/} shared the \$11,645 cost of this vacation home. Murphy paid \$2,000 rent plus \$645 for the use of the telephone. Goldberg paid \$9,000 rent.

5. In August and September 1990, Murphy and Goldberg made the Cotuit house available for use by Flaherty and Flaherty's guests. Murphy and Goldberg and their guests also used the house.

6. Flaherty used the Cotuit house four out of the five weekends of the rental period, plus many weekdays. In all, Flaherty used the Cotuit house a total of approximately 21-25 calendar days.^{2/} Flaherty's use of the Cotuit house was worth no less than \$2,775. Flaherty paid nothing for the use of the Cotuit house.

7. During 1990-1992, Murphy lobbied the Legislature on behalf of such clients as racetracks, solid waste facilities, hospitals, a billboard company, an electric utility, and an entity seeking compensation for an eminent domain taking.^{3/}

8. G.L. c. 268B, §6 prohibits a legislative agent from knowingly and willfully offering or giving to a public official gifts with an aggregate value of \$100 or more in a calendar year.

9. By in 1990 giving Flaherty the use of the Cotuit house (valued at no less than \$2,775), Murphy as a legislative agent gave gifts within the meaning of G.L. c. 268B, §1(g) to Flaherty, a public official. Where these gifts equalled or exceeded \$100 in value in a calendar year, they were prohibited by G.L. c. 268B, §6.⁴ Therefore, by giving these gifts, Murphy violated G.L. c. 268B, §6.

In view of the foregoing violations of G.L. c. 268B, the Commission has determined that the public interest would best be served by the disposition of this matter without further enforcement proceedings on the basis of the following terms and conditions agreed to by Murphy:

(1) that Murphy pay to the Commission the total sum of two thousand dollars (\$2,000) for violating G.L. c. 268B, §(6) and

(2) that Murphy waive all rights to contest the findings of fact, conclusions of law and terms and conditions contained in this agreement and in any related administrative or judicial proceedings to which the Commission is or may be a party.

DATE: December 17, 1996

¹In the spring/summer 1990 Goldberg had retained Murphy to lobby the Legislature regarding an eminent domain taking by the state which would adversely affect Goldberg's business interests near Logan Airport.

²Not all of these days involved overnight stays.

³The Commission is not aware of any evidence that Murphy lobbied Flaherty regarding Goldberg matters. Murphy did, however, lobby Flaherty regarding some of his other clients' matters during 1991 and 1992.

⁴Although Murphy and Flaherty were close personal friends, friendship is not a defense to a §6 violation.